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8 IN THE UNITED STATES BANKRUPTCY COURT
IN AND FOR THE EASTERN DISTRICT OF WASHINGTON

9 In Re:

10 iCAP ENTERPRISES, INC.,

11 Debtor.

NO. 23-01243-WLH11

(Consolidated with 23-01266-WLH11)

12 DECLARATION OF DARREN R.
13 KRATTLI

14 I, **DARREN R. KRATTLI**, declare as follows:

15 1. I am the attorney for Redmond Funding Group, LLC ("**Redmond Funding**"),
16 a secured creditor herein. I am over the age of 18 years, and otherwise competent to testify.
17 The matters stated below are based upon my personal knowledge and my review of Redmond
18 Funding's records and files.

19 2. Prior to filing Dkt. No. 467 ("**Supplemental DIP Financing Motion**"), the
20 Debtors did not communicate with Redmond Funding or its counsel in any direct capacity
21 regarding the potential request for relief regarding application of a Ponzi scheme
22 presumption against Redmond Funding or other similarly situated secured creditors.

23 3. As a secured creditor with collateral that appears to fully secure its claim,
24 Redmond Funding has merely been monitoring this case to ensure the priority of its claim
25 and the timing for payment thereof. As such, it has not engaged in any discovery with the
26 Debtors.

DECLARATION OF DARREN R. KRATTLI - 1

17991-2/DRK/1152314.000



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4. At the hearing held in this case on March 12, 2024, the Court discussed the procedural aspects of the hearing scheduled for March 27, 2024 regarding the Supplemental DIP Financing Motion, to include whether the matter should be continued to allow discovery.

5. During that discussion, and in furtherance of the Debtors' request to hold the evidentiary hearing on March 27, 2024 as scheduled, counsel for the Debtors, Julian Gurule, said that he would be willing to hold phone calls *that day* with interested parties to discuss the timing and scope of discovery needed prior to the evidentiary hearing.

6. I emailed Mr. Gurule, along with Khaled Tarazi and Dakota Pearce, that day requesting such a phone call to discuss Redmond Funding's discovery needs. Specifically, I identified information required regarding the finances of Redmond Funding's borrower, VH Senior Care LLC. No counsel for Debtor responded to my email in any fashion.

7. I followed up again on Thursday, March 14, 2024. Once again, I received no response from any of the three attorneys for the Debtors.

8. Attached hereto as **Exhibit A** is a true and correct copy of my email on March 14, 2024, which also includes my email from March 12, 2024.

9. As of the filing of this declaration and Redmond Funding's objection to the Supplemental DIP Financing Motion, Debtors have made no attempt to coordinate a discovery production schedule with Redmond Funding, and Redmond Funding anticipates filing a motion under Fed. R. Bankr. P. Rule 2004 to compel the Debtor to produce the requested materials so that Redmond Funding can adequately defend itself during the evidentiary hearing.

**I declare under the penalty of perjury under the laws of the State of Washington
that the foregoing is true and correct.**

DATED at Tacoma, Washington, this 18th day of March, 2024.

/s/ Darren R. Krattli
DARREN R. KRATTLI

DECLARATION OF DARREN R. KRATTLI - 2

17991-2/DRK/1152314.000



Krattli, Darren R.

From: Krattli, Darren R.
Sent: Thursday, March 14, 2024 10:11 AM
To: Gurule, Julian
Cc: Tarazi, Khaled; Pearce, Dakota
Subject: RE: iCAP - Ponzi scheme discovery

Julian,

I just wanted to follow up with you regarding the email below. During the hearing you mentioned that you would make yourself available to discuss discovery matters as part of iCAPs press to keep the March 27th hearing, but I have not heard from anyone at your firm yet as to whether the materials below can be produced and/or whether you want a formal 2004 order in order to produce them.

I am available anytime today until 4:00, and my direct line is (253) 319-0955.

Sincerely,
Darren Krattli

From: Krattli, Darren R.
Sent: Tuesday, March 12, 2024 12:23 PM
To: Gurule, Julian <jgurule@buchalter.com>
Cc: Tarazi, Khaled <ktarazi@buchalter.com>; Pearce, Dakota <dpearce@buchalter.com>
Subject: iCAP - Ponzi scheme discovery

Julian,

You mentioned that you would be available today for meetings regarding potential discovery issues for objecting parties. I can be available anytime this afternoon, other than 1:30-2:00. My direct line is (253) 319-0955.

In general, we anticipate needing:

- 1) Bank account statements for VH Senior Care from January 2021 to December 2022
- 2) Profit and loss statements, balance sheets, any other similar financial disclosures for VH Senior Care for years 2020, 2021, and 2022
- 3) Copies of leases for the Burien and Lynnwood properties that were in place from 2020-2022
- 4) VH Senior Care's tax returns, if filed, for 2020 and 2021
- 5) Any documents the Debtors argue would put creditors of VH Senior Care on notice of the alleged ponzi scheme

If you would like to discuss the timing of production, let me know, to include whether you would like us to obtain a 2004 order.

Sincerely,
Darren Krattli